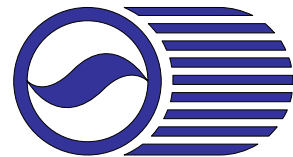




Regulatory Advisory

February 25, 2009



GHG Reporting Advisory 09-01

Mandatory GHG Emissions Reporting: Two-Month Grace Period for Operators Subject to April 1, 2009 Deadline

The Air Resources Board is completing development of the Greenhouse Gas (GHG) Reporting Tool to be used by facilities and entities subject to the State of California's Regulation for the Mandatory Reporting of GHG Emissions. In order to ensure adequate time for operators subject to the regulation's April 1, 2009 reporting deadline to become familiar with and effectively use the Reporting Tool, ARB is administratively providing a one-time grace period of two months for submittal of the emissions data reports due by that date.

Background and Current Action

On December 6, 2007, the California Air Resources Board adopted the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions, as required by the California Global Warming Solutions Act of 2006. The regulation became effective January 2, 2009, and is codified at title 17, California Code of Regulations, sections 95100-95133. The rule requires major sources of GHG emissions to report those emissions to the State of California every year beginning in 2009. Affected businesses and public agencies include operators of power plants, cogeneration facilities, cement plants, refineries, hydrogen plants, retail providers and marketers of electricity, and general stationary combustion facilities emitting 25,000 metric tonnes of carbon dioxide in a calendar year. Operators of certain facilities -- including general stationary combustion facilities outside the oil-and-gas sector, and electricity generation and cogeneration plants not within the operational control of larger facilities and entities -- are required to file their first emissions data reports by April 1, 2009. Remaining facilities and entities report by June 1, 2009.

To facilitate orderly, effective and complete reporting by all operators, the Air Resources Board has contracted for the development of the California GHG Reporting Tool. The tool has been designed as a secure, web-based data collection and reporting mechanism that will allow facilities and power entities to assign reporting personnel, establish emitting activities, annually report emissions by source and fuel type, and provide additional information consistent with rule requirements. The tool database will also serve as a central location for tracking and certification of emission reports, review by third-party verifiers, and public access to verified emissions information. Because the tool shares its basic software platform with existing reporting and tracking tools developed for U.S. EPA and The Climate Registry, it is expected to ease any future transitions to regional and national reporting programs.

Following a period of beta testing by selected operators, ARB staff has devoted additional time to development of instructional documentation for users of the GHG Reporting Tool, including a complete Users Guide, Primer, and stepwise guides and training webinars by reporting sector. The Reporting Tool and accompanying support documents are being released between February 25 and March 18, 2009. To ensure that operators and their agents have sufficient time and opportunity to become familiar with the Reporting Tool and use it to complete their emissions data reports, ARB will not enforce the April 1, 2009 report deadline until after June 1, 2009. For this initial year of reporting, ARB will not consider enforcement action against any operator for failure to file a complete emissions data report until after June 1, 2009.

Compliance and Enforcement Policies

Is ARB administratively delaying the enforcement of the April 1, 2009 deadline for submitting reports of 2008 emissions?

Yes. ARB will administratively delay the enforcement of reporting deadlines until after June 1, 2009. This action provides a two-month (61 days) grace period for operators of general stationary combustion facilities and specified electricity generation and cogeneration facilities subject to the April 1, 2009 deadline.

Does this action affect the June 1, 2009 reporting deadline for additional operators?

No. The regulation's June 1, 2009 reporting deadline for retail providers, marketers, cement plants, refineries, hydrogen plants, and general stationary combustion sources within the oil-and-gas sector is unchanged. This means that all facilities subject to the regulation must file their first reports on or before June 1, 2009, regardless of sector.

When and how will the GHG Reporting Tool be made available?

ARB is providing access to the training version of the Reporting Tool on February 25, 2009. Operators who have confirmed their contact information with ARB should receive a letter containing an access code and login information. At the same time, a User Guide and Primer will be posted on ARB's website. ARB plans to post the operational version of the tool, to be used for actual emissions reporting, on March 18, 2009. Training workshops on use of the Reporting Tool will be scheduled during March. With the two-month grace period for April 1 reporters, all operators will have three months to become familiar with the Reporting Tool and complete their emissions reports.

Does this administrative action affect future years?

No. Enforcement of deadlines in the regulation is unchanged for 2010 and later years.

For operators choosing to have their emissions data reports verified in 2009, will additional time be granted?

Yes. Operators subject to the April 1 reporting deadline who submit their emissions reports by June 1, and choose to complete third-party verification in 2009, will have until December 1, 2009 for a verification opinion to be submitted to ARB. ARB does not want to shorten the six-month period available for verification as operators are just beginning to gain familiarity with the process. Since there will be one verification deadline for all interested operators, however, it will be important to begin the process as early as possible following report submittal. ARB will be training and accrediting third-party verifiers this spring.

For more information:

To obtain a copy of the regulation, *Instructional Guidance* for reporting, and related compliance assistance documents, visit ARB's GHG Mandatory Reporting website at <http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep.htm>. You may send questions by e-mail to ghgreport@arb.ca.gov. Or you may contact Mr. Patrick Gaffney, Staff Air Pollution Specialist, at (916) 322-7303, or Mr. Doug Thompson, Manager, Climate Change Reporting Section, at (916) 322-7062. If you have a disability-related accommodation need, please go to <http://www.arb.ca.gov/html/ada/ada.htm> for assistance or contact the ADA Coordinator at (916) 323-4916. If you are a person who needs assistance in a language other than English, please contact the Bilingual Coordinator at (916) 323-7053.